Case 3:10-cv-03561-WHA Document 673-16 Filed 01/03/12 Page 1 of 4

From: Vineet Gupta - OEM Software Sales CTO/Worldwide SE Director <vineet.gupta@sun.com>

Sent: Thu Apr 27 2006 00:57:41 PDT

To: Jonathan Schwartz <jonathan.schwartz@sun.com>;Joe Heel <joe.heel@sun.com>
CC: Alan Brenner <alan.brenner@sun.com>;Ann McLaughlin <ann.mclaughlin@sun.com>

Subject: Armstrong - Current deal terms.

Attachments:

Importance: Normal Priority: Normal Sensitivity: None

Jonathan, Joc,

Wanted to get you current deal terms with Google.

The two important sections are 5) Open source Repository and ISV management - where the impasse was reached and 7) Covenants.

Jonathan, Any reply from Google on your email?*

-Vineet*

Current Deal Terms, issues and stances:*

*

- 1) **Financial: * 28M total. 10 Million on signature, 10 M on 1st anniversary, and 8M on 2nd anniversary. The payment is for the right to get Sun to OpenSource the JavaME implementation as part of this collaboration.
- *2) Term: 3 year Engineering Co-development/Collaboration. 10 year term for contract.
- *Google: does not want to have the 10 year commitment and prefers 3 year term. We have told them we need the term to be longer co-development can be limited to 3 years but Google support and investment for the linux stack needs to be longer.
- *3) Go To Market Plan*: relating to joint marketing efforts to promote the OpenSource stack to be negotiated with in 30 days of signature of contract.
- *4) Governance Model*: relating to policies and procedures for partner engagement and hosting of OpenSource Stack for a community of open source developers to be negotiated with in 30 days of signature of contract.
- *5) OpenSource Repository and ISVs:* Google wanted to host the opensource repository and bug tracking system and are okay with Sun

managing ISV program.

Sun: Problem for us - as Google was unwilling for Sun to be a joint face to the community for the opensource stack. They wanted to be the OpenSource provider with Sun being the commercial provider.

what we agreed on with Google in the last meeting when impasse was reached:

- 1) Sun and Google jointly fund, manage and co-brand the open source community and tree through a single independent website, such as wireless.com. <Google's preference is their own internal hosting, bug track tools, and infrastructure. So we discussed that on mutual agreement we would either leverage Demetrius (Google is coming out with their own Collabnet equivalent), Java.net or an independent hosting site and associated tools/processes.>
- 2) Management of the open source tree will take place under the following model:
- a) There is a single bug list. All items are included on the bug list including features (ie, "system lacks...")
- b) There are two categories of participants in the open source community:
- i) Contributors: Contributors submit code changes (submissions), which are reviewed by Committers
- Contributors must sign agreement to cover IP, copyright, assignment, etc
- ii) Committers: Committers are authorized, per module, to review, approve (commit) and make their own changes
- Google authorizes committers for its modules
- Sun authorizes committers for its modules
- c) At point of committing, regression tests must be run and pass before changes are accepted
- d) Sun will authorize committers for the following modules:
- i) JVM
- ii) JSR's
- iii) MIDP
- iv) Sun Tools
- v) Security Model
- vi) Enterprise Apps
- e) Google will authorize committers for the following modules:
- i) Graphics/UI
- iii) Telephony
- iv) Kernel/OS
- v) App model/manager
- vi) Boot Loader
- vii) LIBC
- viii) DB/Persistent storage

*< we had a problem with Google having control of Graphics /UI and App model/manager. We suggested a balance - by them owning Graphics/UI and Sun owning App Model/App Manager. Google was

unwilling to give on this. We even suggested having 2 of both in the opensource tree providing flexibility for both teams implementations to happen and both sides retaining control - still impasse.>*

- f) Google and Sun may authorize third parties or each other to be committers
- 3) Sun will manage relationships with OEM's through the exclusion period
- 4) Google has an option to manage relationships with OEM's post exclusion period if needed.
- 5) Both Parties will manage relationships with semiconductor manufacturers
- 6) Sun will manage 3rd party software developers (ISV's) and programs
- *6) Open Source Model:* we could not get to agreement on a single model hence we are at a split model currently. a) Apache 2.0 for Google Technology of Open Source Stack b) CDDL for Sun Technology
- 7) Covenants:*
- a) Sun and Google to Open Source the Stack upon its successful completion.
- *<We want to make sure the software is complete before we open source. Estimated around 12-18 months.>*
- b) Google can not commercialize or make their intent known (if they want to commercialize) up until 6 months past the open source of the stack.
- *<Initially Google did not have this right to commercialize at all they came back and stated that their competition could take the OpenSource stack and commercialize they could not be locked out, as well as if Sun did not deliver thru our commercial implementations, Google needed the option to be able to support the OEMs.>*
- c) Google does retain right during this quiet period to work with HTC and LGE to enable them with the OpenSource stack implementations. Sun cannot approach these companies (unless Google requests) with Sun's support or Commercial implementations. Sun's continues the normal Java Licensing business as required with these companies though.
- *d) Sun not allowed to OpenSource JavaME on its own during the development period of the combined stack.*

- e) Sun not allowed to charge someone else for opensourcing JavaME as well
- *<we took this out but Google wants it back in.>
- e) Sun to not unreasonably exclude support for Google apps in Suns commercial stack.
- f) Google to pass compatibility on their commercial stack.
- *<We gave on this as Google said they are willing to brand as long as they had a free license to the TCK and brand and this would remove our capability downstream to collect royalties for TCKs and Branding as we do currently. Similar to Java EE we will need to continue making compatibility and brand a requirement by OEMs, SPs and Content developers.>*
- g) Sun wants a 12 month roadmap/early information on technology Google plans to opensource and provide early access to these technology as soon as feasible and in no case later than providing to any other third party.
- *<This is to ensure that we know what is being put out in opensource and we are not chasing features in our commercial implementations. And we would like to have early access so we can build our pieces both for opensource and for use in commercial implementations>*
- *8) Co-Location of Development Teams:* Google wants Sun Engineering(at least upto 5) to be at the Google site during the co-development period.
- 9) Liability, Indemnity, Termination *and few others still to be negotiated.

CONFIDENTIAL OAGOOGLE0000358178